IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

WRIT PETITION No. 1348 OF 2005

Modern Laboratories Ltd. .. Petitioners

V/s

Reserve Bank of India .. Respondents

Mr.Rafeeq Peer Mohiddin with Mr.Dhiren Sinha i/b Paras Kuhad & Associates for the Petitioners.

Ms. Malika Aiyyer i/b Udwadia Udeshi for Respondent No.1.

Mr.R. Shashibahadur with Ms. V. Mirashi i/b Shah & Sanghvi for Respondent No.2.

CORAM : H.L. GOKHALE & ABHAY S. OKA, JJ.

DATE : 24TH JANUARY 2006

P.C. :

1. Heard the learned counsel for the parties.

2. Respondent Bank has a claim of over Rs.14 crores against the Petitioners and the Petitioners have been declared a willful defaulter. This declaration is under challenge through prayer (a). As far as any such declaration is concerned, a Grievance Redressal Mechanism has been created under the R.B.I. Circular

dated 29th July 2003. It is an internal Mechanism of the concerned bank. The Petitioners must approach the particular Authority. Mr.Shashibahadur for Respondent No.2 states that full opportunity will be given to the Petitioners if they file appropriate representation.

3. Ms.Aiyyer for the 1st Respondent Bank points out that a similar question came up before this Court in **Writ Petition No.7102 of 2003 in the case of H.S. Shetty v. Reserve Bank of India and State Bank of Saurashtra**, and the Division Bench (to which one of us, Gokhale J., was a party) has taken a view on 11th February 2004 that the party concerned is expected to approach the Grievance Redressal Mechanism. In the event the decision of the Authority is against the Petitioners, they may avail of further remedies in which case their submissions as raised in the petition or such that would be raised against the decision would be considered.

4. Petition is dismissed.

(H.L. GOKHALE, J.)

(ABHAY S. OKA, J.)